

SENATE BILL 2808
By Kyle

AN ACT to amend Tennessee Code Annotated, Title 50, Chapter 6, relative to workers' compensation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 50-6-113, (f)(1), is amended by deleting the following sentence:

“Sole proprietors and partners shall not be required to carry workers’ compensation insurance on themselves.”

SECTION 2. Tennessee Code Annotated, Section 50-6-113, is amended by deleting the following language in subsection (f)(1): “Except as provided in subdivision (f)(4)” and inserting instead “Except as provided in subdivisions (f)(4) and (f)(5).

SECTION 3. Tennessee Annotated, Section 50-6-113, is amended by adding the following as a new subdivision (f)(5) and a new subsection (g):

(f)

(5)

(A)

(i) A sole proprietor or the partners of a partnership who do not elect to be covered by this chapter and be deemed employees thereunder and who deliver to the principal, or intermediate contractor, or subcontractor a current certification of noncoverage issued by the division shall be conclusively presumed not to be covered by the law or to be employees of the principal, or intermediate contractor, or subcontractor during the term of such person's certification or any renewals thereof.

(ii) This provision shall not affect the rights or coverage of any employees of the sole proprietor or of the partnership.

(B) Furthermore, the principal, or intermediate contractor, or subcontractor insurance carrier is not liable for injuries to the sole proprietor or partners described in this section who have provided a current certification of noncoverage, and the carrier shall not include compensation paid by the principal, or intermediate contractor, or subcontractor to the sole proprietor or partners described above in computing the insurance premium for the principal, or intermediate contractor, or subcontractor.

(C)

(i) Any principal, or intermediate contractor, or subcontractor who, after being presented with a current certification of noncoverage by a sole proprietor or partnership, nonetheless compels the sole proprietor or partnership to pay or contribute to workers' compensation coverage of that sole proprietor or partnership commits of a Class D felony.

(ii) Furthermore, any applicant who makes false statement when applying for a certification of noncoverage or any renewals thereof commits of a Class D felony.

(g)

(1) A certification of noncoverage issued by the division after July 1, 2004, shall be valid for two (2) years after the effective date stated thereon. Both the effective date and the expiration date must be listed on the face of the certificate by the division. The certificate must expire at midnight two (2) years from its issue date, as noted on the face of the certificate.

(2) The division may assess a fee not to exceed fifty dollars (\$50.00) with each application for a certificate of noncoverage or any renewals thereof.

(3) Any certification of noncoverage issued by the division shall contain the social security number and notarized signature of the applicant. The notarization shall be in a form and manner prescribed by the division.

(4) The division may by rule prescribe forms and procedures for issuing or renewing a certification of noncoverage.

SECTION 4. This act shall take effect July 1, 2004, the public welfare requiring it.